



NEWS RELEASE

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FOR IMMEDIATE RELEASE

COLUMBIA MAN CHARGED WITH WIRE FRAUD, SCHEME TO DEFRAUD INVESTORS OF MORE THAN \$3.1 MILLION

JEFFERSON CITY, Mo. – Todd P. Graves, United States Attorney for the Western District of Missouri, announced that a Columbia, Mo., businessman was arrested and appeared in federal court today on charges related to a scheme he used to obtain more than \$3.1 million from victim investors.

Daryl Miles Brown, 28, who is chairman of The Vertical Group and principal of Cerberus, Inc., both located in Columbia, appeared before U.S. Magistrate Judge William A. Knox this morning on charges contained in a three-count criminal complaint that was filed under seal on Sept. 20, 2005. **Brown** will remain in federal custody until his detention hearing on Thursday, Graves said.

Counts One and Two of the criminal complaint allege that **Brown** committed wire fraud on Jan. 14 and Feb. 1, 2005, by causing victims to transfer of \$100,000 and \$300,000, respectively.

Count Three of the criminal complaint alleges that **Brown** used an investment scheme to cause a person to travel across Missouri state lines in order to lure that person to later make two wire transfers of \$5,000 or more from the Bank of America in Lenexa, Kan., to the Bank of America in Clearwater, Fla. The amount of the transfers totaled approximately \$150,000, the complaint alleges.

According to an affidavit filed in support of the criminal complaint, the Federal Bureau of Investigation had been investigating **Brown** for his role in a high-yield investment fraud.

“In carrying out the fraud, **Brown** made significant misrepresentations to investors to lure them into completing business deals with him,” Graves said. “Among the misrepresentations was

the claim that he had been a former football player for the Kansas City Chiefs, that he had relationships with big-name celebrities and that he had access to a pool of \$5 billion to invest.”

Brown raised money from investors through an investment vehicle he called “standby letters of credit,” the affidavit states, luring investors to give money in \$50,000 increments and promising them a 20 percent return within 30 banking days. Additionally, the affidavit states, **Brown** told victims that their investments would continue to yield \$10,000 each week for an additional 48 weeks following the initial 30 banking days.

The affidavit alleges that **Brown** raised approximately \$3.1 million and only actually invested \$220,000. The balance of the investors funds have been spent by **Brown** or at his direction and has not generated any return on the investment.

Graves cautioned that the charges contained in the criminal complaint are simply accusations, and not evidence of guilt. Evidence supporting the charges must be presented to a federal trial jury, whose duty is to determine guilt or innocence.

The case is being prosecuted by Assistant U.S. Attorney Anthony P. Gonzalez. It was investigated by the Federal Bureau of Investigation, the Missouri Attorney General’s Office and the Missouri Secretary of State’s Securities Section.

This news release, as well as additional information about the office of the United States Attorney for the Western District of Missouri, is available on-line at
www.usdoj.gov/usao/mow